

CHAPTER TWO

REVIEW OF LITERATURE

This chapter reviews the literature in 3 main areas, which are (1) Overview of Short Message Service (SMS), (2) Relevant Concepts, and (3) Relevant Research.

2.1 OVERVIEW OF SHORT MESSAGE SERVICE (SMS)

SMS technology was first introduced in 1991 as a part of the Global System for Mobile communications (GSM) standard, one of the second generation mobile phone standards (2G) brought to the scene to replace their predecessors (1G) with improved security and the ability to provide non-voice services (such as mobile text messages). Although the SMS technology was first developed under the GSM standard, subscribers of other 2G mobile phone services are also capable of sending and receiving mobile text messages.

In Thailand, SMS technology was not available until the GSM standard arrived in 1994 (AIS, 2008). Before that time, both mobile phone operators in Thailand, Advance Info Service (AIS) and Total Access Communication or TAC (now DTAC), offered mobile phone services under 1G technology. Thai mobile phone users were first able to send mobile text messages when AIS introduced its Digital GSM in October 1994 which was followed by TAC in the same year launching its Worldphone 1800 GSM (The GSM Association, n.d.).

Mobile short messages are normally sent to and from mobile phones, but there are also other ways to send these messages. SMS may be sent from computers using special software, or through websites that allow users to type messages on the computer screens and send them to mobile phones. One can also send a mobile short message to a large number of receivers at the same time with help from a bulk SMS provider who will forward the message to all recipients on a given list, which could comprise thousands of individuals.

Bulk SMS is usually used by organizations or companies as a means to communicate with the public or with their customers such as when a company updates its customers about new services or products, or when governments send mobile text messages to alert their citizens of natural disasters like floods or

earthquakes (Clothier, 2005). SMS ads are also considered bulk messages if they are sent to several receivers at the same time. Sometimes mobile phone users have to pay for the contents to be delivered to them via SMS. Examples of these contents are SMS news, updates on stock markets, horoscopes and sports results.

Application of SMS technology has become widespread nowadays. Some reality shows let viewers vote for their favorite contestants via SMS. Many TV programs allow viewers to express their opinions by showing the messages sent in by the viewers on TV screens. Some operators, such as credit card issuers and mobile phone carriers, use SMS to inform their customers about billing information. An example of a more advanced application is when Kasikorn Bank in 2008 launched a new service called ATM SIM, a service which allows bank transactions to be made via SMS (Srisamorn Phoosuphanusorn, 2008).

2.2 RELEVANT RESEARCH

Lutz (as cited in Chowdhury, Parvin, Weitenberner & Becker, 2006) defines attitude toward advertising as a 'learned predisposition to respond in the consistently favorable or unfavorable manner to advertising'. Several studies have been conducted on consumer attitude toward advertising. Chowdhury et al. (2006) summarized that consumer attitudes toward advertising were found to be generally positive in early studies, but the trend later changed as consumers became overwhelmed with advertisements and advertisers used more aggressive approaches to compete for consumer attention.

Because of its high potential as a marketing tool, empirical studies on SMS advertising have become increasingly available. Most studies found consumer attitudes toward SMS advertising to be either negative or neutral (Chadinee & Fortin, 2006; Chowdhury et al., 2006; Rettie & Brum, 2001; Tsang, Ho & Liang, 2004; Wong & Tang, 2008). Interestingly, one study suggests that attitude toward SMS advertising is more positive in a country where the telecom industry is more advanced (Haghirian, Madlberger & Inoue, 2008).

There were some research papers whose aims were to identify factors that affect the overall attitude toward SMS advertising. Based on a model proposed by Ducoffe (1995, 1996), Tsang et al. (2004) found that the overall attitude toward SMS

advertising was affected by its perceived entertainment, perceived informativeness, perceived credibility, and perceived irritation. When similar studies were conducted in different populations, however, only some of these 4 factors were found to affect the overall attitudes toward SMS advertising (Haghirian et al., 2008; Chowdhury et al., 2006).

Informativeness

Ducoffe (1996) defines ad informativeness as “the ability of ads to effectively convey and pass the information to the targeted consumers”. To provide consumers with information is a key function of advertising, apart from persuading them to buy the products (Santilli, 1982). Resnik and Stern (1977) define informative advertisements as ones that provide consumers with information about the advertised products, such as prices, quality, availability, nutrition facts and guarantees or warranties. Bucklin (1965) claims that one of the most important reason consumers would listen to advertisements is that ads provide them with information.

Entertainment

Zheng (2002) refers to ad entertainment as “the reflection of whether an ad is perceived to be pleasant or likable”. People’s feeling of enjoyment associated with advertisements is claimed to play an important role in the overall attitudes toward them (Shavitt, Lowrey & Haefner, 1998). Gordon (as cited in Chang, 2006) suggests that entertaining ads are ones that contain comedy, humor, memorable music, an intriguing storyline or exciting visual effects. Studies suggest that adding humor to advertisements enhances consumer response toward the ads (Duncan & James, 1985; Madden & Weinberger, 1982). Kellaris and Cline (2007) claim that humor is often used in advertising to make the advertisements more entertaining and memorable.

Credibility

Mackenzie and Lutz (as cited in Cotte, 2003, p.361-368) define advertisement credibility as “the extent to which the consumer perceives claims made about the brand in the ad to be truthful and believable”. They suggest that advertisements will be perceived as credible if they come from reputable companies or organizations and do not contain exaggerated claims. Pavlou and Steward (as cited in Hanley & Becker, 2008, p.67-80) define ad credibility as “the consumers’ perception of the truthfulness and believability of advertising in general”. Another study suggests that corporate credibility plays an important role in consumers' reactions to advertisements (Goldsmith, Lafferty & Newell, 2000). Ad credibility can also be increased by having experts or celebrities convey the messages (Freiden, 1982; Kamins, 1989).

Irritation

Aaker and Bruzzone (1985) define ad irritation as the “negative, impatient, and displeasing feeling of individual consumers caused by various forms of advertising stimuli” (p.47-57). Ads are likely to be perceived as irritating when advertisers employs techniques that annoy, offend, insult, or are overly manipulative (Ducoffe, 1995).

Li, Edwards and Lee (2002) summarized that consumers would perceived ads as irritating if: 1) their content was untruthful, exaggerated, confusing, or insults the viewer's intelligence; 2) the ads were too loud, too long, or too large; and 3) consumers were exposed to too many ads or when the same ad appears too frequently.

They also suggest that consumers would perceive ads as irritating if the ads interrupted them while they were pursuing their main goals. Morimoto and Chang (2006) reviewed previous studies and summarized that ad irritation occurs when there was interference with one's privacy.

2.3 RELEVANT CONCEPTS

Two concepts that can be used to explain why consumer attitudes toward SMS advertisements are important are reviewed here.

2.3.1 Theory of Reasoned Action

The theory of reasoned action was proposed by Ajzen and Fishbein in 1975. This theory proposes that the intention to perform a behavior is affected by: 1) the person's attitude toward that behavior, which is defined as beliefs about the consequences of performing the behavior multiplied by his or her valuation of these consequences; and 2) subjective norm, which refers to a combination of perceived expectations from relevant individuals or groups along with intentions to comply with these expectations. To sum up, this theory suggests that people are likely to perform a particular behavior if they evaluate the behavior as positive and if they think their peers value that behavior.

2.3.2 Technology acceptance model

The Technology Acceptance Model (TAM) was proposed by Fred Davis in 1989. The model tries to explain how users come to accept and use a technology. It suggests that when users are presented with a new technology, their decision about how and when they will use it is influenced by the technology's perceived usefulness and perceived ease of use. Perceived usefulness is defined as 'the degree to which a person believes that using a particular system would enhance his or her job performance'. The Perceived ease-of-use is defined as 'the degree to which a person believes that using a particular system would be free from effort'. In conclusion, this model suggests that a new technology is likely to be accepted if users find it useful and easy to use.